

Near-Term Electricity Prices And How to Respond

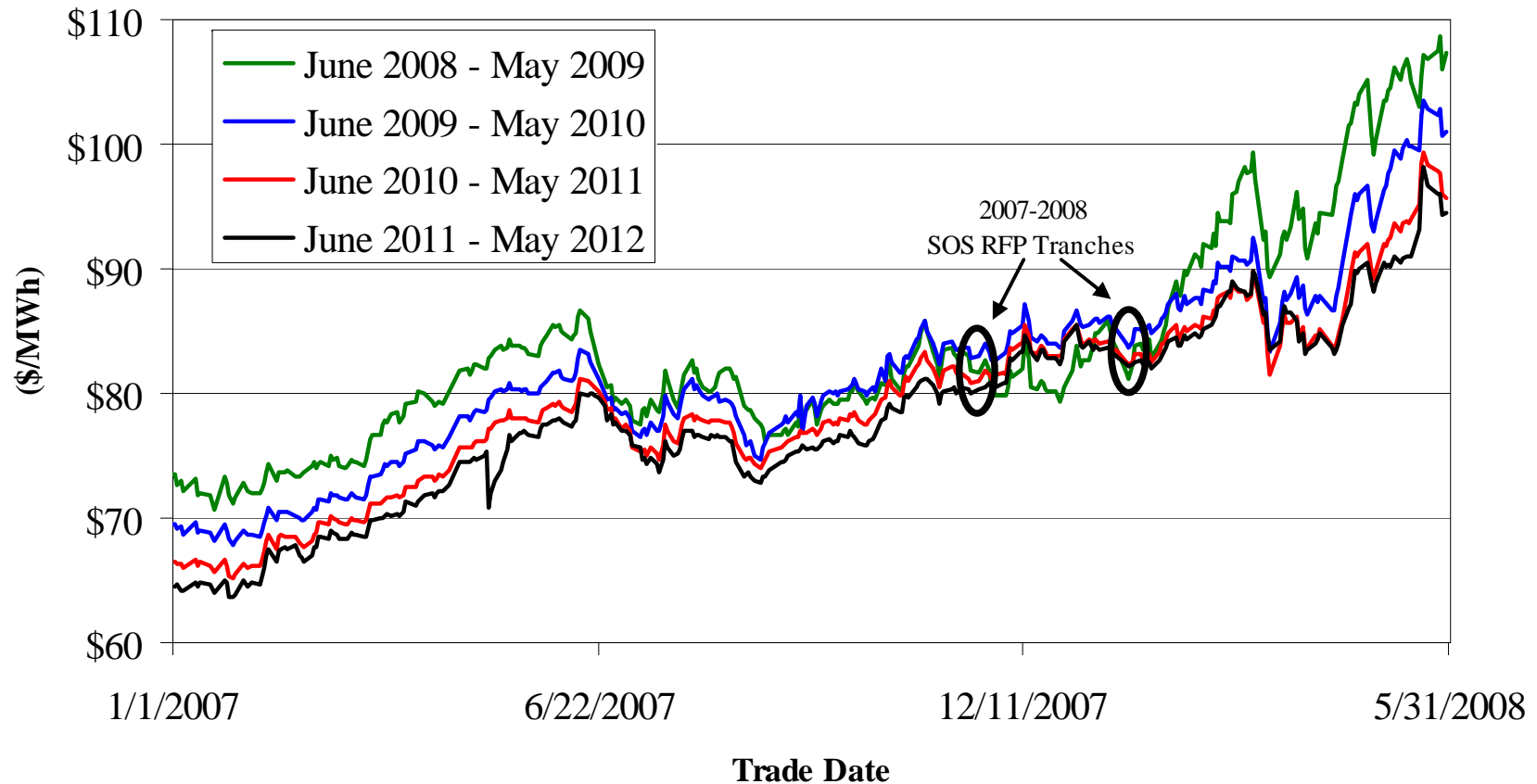
Presented To:
Delaware Public Service Commission

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Boston Pacific Company, Inc.

June 17, 2008

NYMEX Futures Price for Peak Electricity at the PJM Western Hub



Source: NYMEX

Note: Boston Pacific calculations are the simple average of monthly futures prices.

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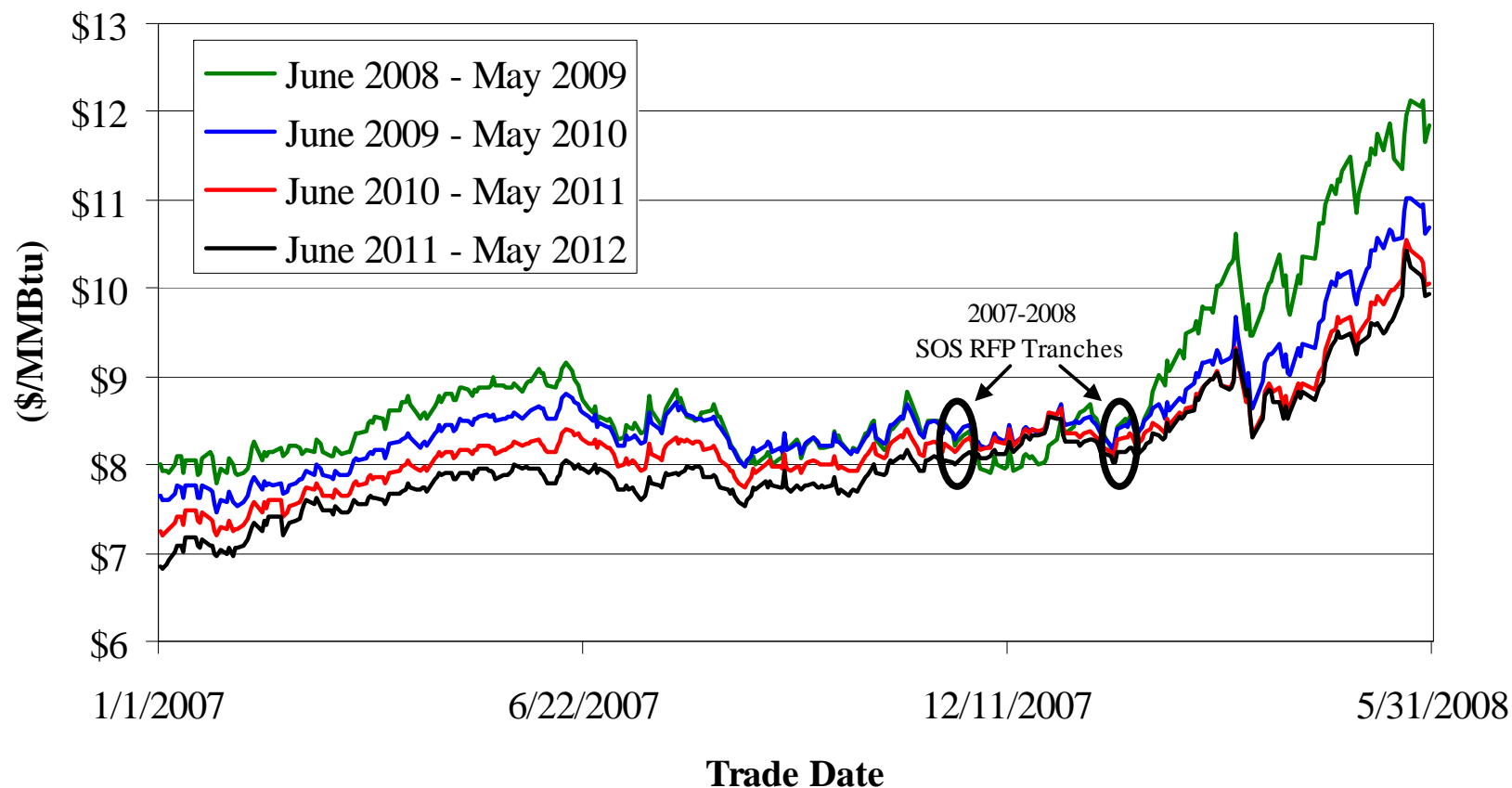
PJM RPM Prices

Period (June-May)	DPL Capacity Price* [\$/MW-day]
2008/2009	\$148.80
2009/2010	\$191.32
2010/2011	\$178.57
2011/2012	\$110.04

Source: PJM RPM

* Preliminary Zonal Capacity Prices

NYMEX Futures Prices for Natural Gas at Henry Hub

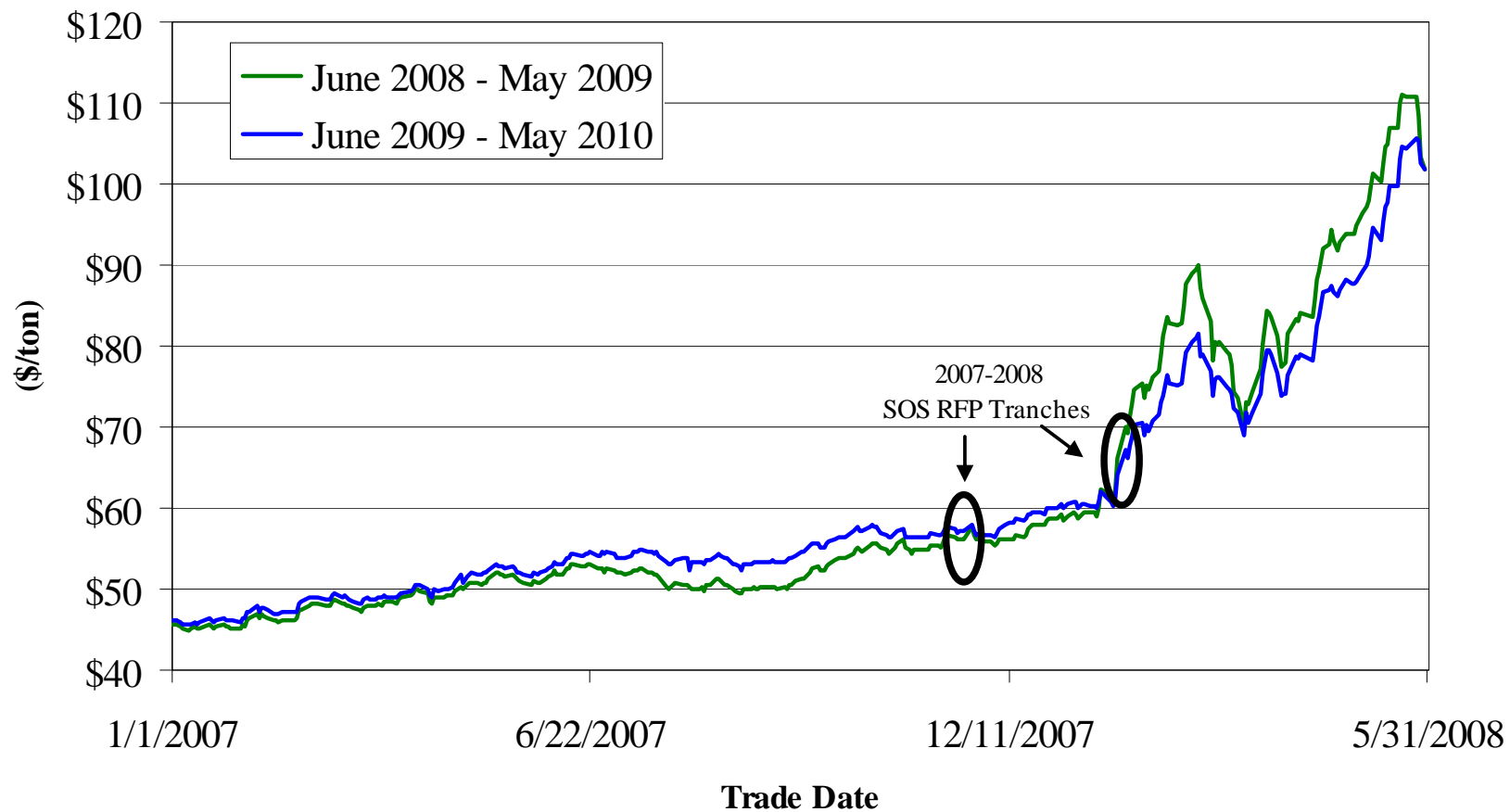


Source: NYMEX

Note: Boston Pacific calculations are the simple average of monthly futures prices.

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NYMEX Futures Prices for Central Appalachian Coal

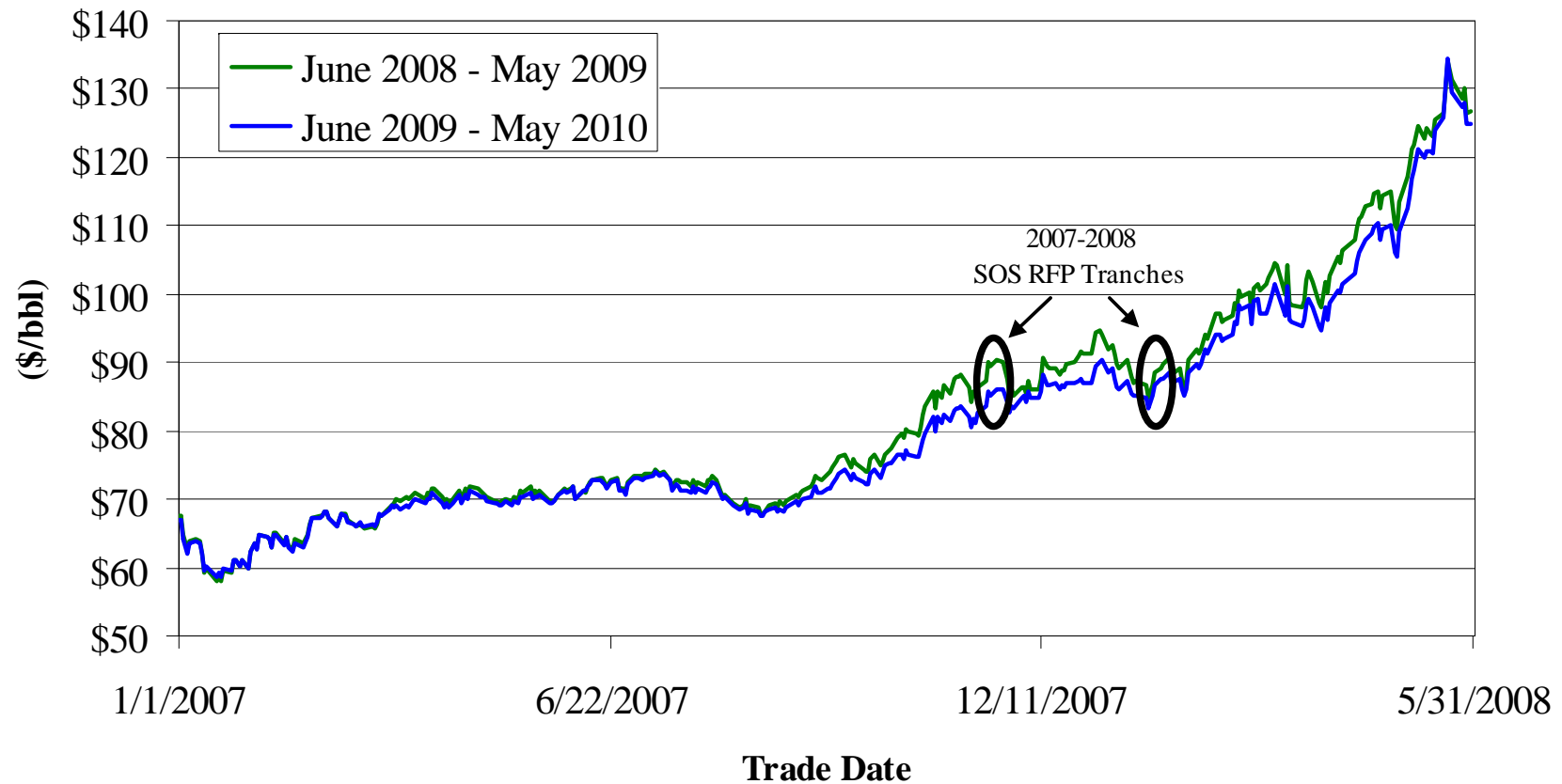


Source: NYMEX

Note: Boston Pacific calculations are the simple average of monthly futures prices.

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NYMEX Futures Prices for Crude Oil (Light Sweet Crude Oil) at Cushing, Oklahoma



Source: NYMEX

Note: Boston Pacific calculations are the simple average of monthly futures prices.

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Construction Cost Inflation

- Plant construction costs have increased sharply in recent years
 - CERA estimated this past February that plant construction costs increased 27% in the previous 12 months, and 130% since 2000.¹
 - Iron and Steel are up 17% in the past year.²
 - Construction labor costs are also outpacing inflation.³

1. IHS/CERA Power Capital Costs Index, CERA News Release, February 14, 2008

2. BLS, Producer Price Index, Metals and metal products, Iron and Steel; through April 2008

3. BLS, Current Employment Statistics Survey, Construction – Specialty Trade Contractors (NSA) and Construction – Heavy and civil engineering construction (NSA); through April 2008



More Reasons Prices May Increase

- Climate Change Legislation
- Aging Infrastructure and Reliability Concerns



How To Respond

- Set Reasonable, Consistent Goals
- Be Practical About Impact on Price
- Educate and Inform Ratepayers
- Assess the Response to Current High Prices
- Invest Wisely for Ratepayers